

Federal Housing Finance Agency.

§ 1290.2

§ 1290.1 Definitions.

For purposes of this part:

Advisory Council means the Advisory Council each Bank is required to establish pursuant to section 10(j)(11) of the Federal Home Loan Bank Act (12 U.S.C. 1430(j)(11)) and part 1291 of this chapter.

Appropriate Federal banking agency has the meaning set forth in section 3(q) of the Federal Deposit Insurance Act (12 U.S.C. 1813(q)) and, for federally insured credit unions, means the National Credit Union Administration.

Appropriate State regulator means any State officer, agency, supervisor, or other entity that has regulatory authority over, or is empowered to institute enforcement action against, a particular institution.

Bank means a Federal Home Loan Bank established under section 12 of the Federal Home Loan Bank Act (12 U.S.C. 1432).

CDFI Fund means the Community Development Financial Institutions Fund established under section 104(a) of the Community Development Banking and Financial Institutions Act of 1994 (12 U.S.C. 4703(a)).

Community development financial institution or CDFI means an institution that is certified as a community development financial institution by the CDFI Fund under the Community Development Banking and Financial Institutions Act of 1994 (12 U.S.C. 4701 *et seq.*).

CRA means the Community Reinvestment Act of 1977, as amended (12 U.S.C. 2901, *et seq.*).

CRA evaluation means the public disclosure portion of the CRA performance evaluation provided by a member's appropriate Federal banking agency.

Displaced homemaker means an adult who has not worked full-time, full-year in the labor force for a number of years, and during that period, worked primarily without remuneration to care for a home and family, and currently is unemployed or underemployed and is experiencing difficulty in obtaining or upgrading employment.

FHFA means Federal Housing Finance Agency.

First-time homebuyer means:

(1) An individual and his or her spouse, if any, who has had no present ownership interest in a principal residence during the three-year period prior to purchase of a principal residence.

(2) A displaced homemaker who, except for owning a residence with his or her spouse or residing in a residence owned by his or her spouse, meets the requirements of paragraph (1) of this definition.

(3) A single parent who, except for owning a residence with his or her spouse or residing in a residence owned by his or her spouse, meets the requirements of paragraph (1) of this definition.

Long-term advance means an advance with a term to maturity greater than one year.

Restriction on access to long-term advances means a member may not borrow long-term advances or renew any maturing advance for a term to maturity greater than one year.

Single parent means an individual who is unmarried or legally separated from a spouse and has custody or joint custody of one or more minor children or is pregnant.

Targeted community lending means providing financing for economic development projects for targeted beneficiaries.

§ 1290.2 Community support requirement.

(a) *Selection for community support review.* Except as otherwise provided in this section, FHFA shall select a member for community support review approximately once every two years.

(b) *Notice*—(1) *By the FHFA.* FHFA concurrently shall:

(i) Notify each Bank of the members within its district that have to submit community support statements during the calendar quarter; and

(ii) Publish a notice in the FEDERAL REGISTER that includes the name and address of each member required to submit a community support statement during the calendar quarter, and the deadline for submission of the community support statement to FHFA. The deadline for submission of a community support statement shall be no earlier than 45 calendar days after the

§ 1290.3

12 CFR Ch. XII (1–1–11 Edition)

date of publication of the notice in the FEDERAL REGISTER.

(2) *By the Banks.* Within 15 calendar days of the date of publication in the FEDERAL REGISTER of the notice required by paragraph (b)(1)(ii) of this section, a Bank shall provide written notice to—

(i) Each member within its district that is named in the FEDERAL REGISTER notice, that the member has to submit a community support statement to FHFA by the deadline stated in the FEDERAL REGISTER notice; and

(ii) Its Advisory Council and non-profit housing developers, community groups, and other interested parties in its district of the name and address of each member within its district that has to submit a community support statement during the calendar quarter.

(c) *Required documents.* Each member selected for community support review must submit a completed Community Support Statement Form executed by an appropriate senior officer to FHFA and any other information FHFA may require to determine whether a member meets the community support standards.

(d) *Public comments.* In reviewing a member for compliance with the community support requirement, FHFA shall take into consideration any public comments it has received concerning the member.

(e) *Community Development Financial Institutions.* A member that has been certified as a community development financial institution by the CDFI Fund, other than a member that also is an insured depository institution or a CDFI credit union (as defined in §1263.1), shall be deemed to be in compliance with the community support requirements of section 10(g) of the Federal Home Loan Bank Act (Bank Act), 12 U.S.C. 1430(g), by virtue of that certification and is not subject to periodic review under paragraph (a) of this section.

§ 1290.3 Community support standards.

(a) *In general.* In reviewing a community support statement, FHFA shall take into account a member's performance under the CRA if the member is subject to the requirements of the

CRA, and the member's record of lending to first-time homebuyers.

(b) *CRA standard—(1) Adequate performance.* A member that is subject to the requirements of the CRA shall be deemed to meet the CRA standard if the rating in the member's most recent CRA evaluation is "outstanding" or "satisfactory."

(2) *Probationary performance.* A member that is subject to the requirements of the CRA shall be subject to a probationary period if the rating in the member's most recent CRA evaluation is "Needs to Improve." The probationary period shall extend until the member's appropriate Federal banking agency completes its next CRA evaluation and issues a rating. The member will be eligible to receive long-term advances during the probationary period. If the member does not meet the CRA standard at the end of the probationary period, FHFA will restrict the member's access to long-term advances in accordance with §1290.5.

(3) *Inadequate performance.* FHFA will restrict a member's access to long-term advances in accordance with §1290.5 if the rating in the member's most recent CRA evaluation is "Substantial Non-Compliance."

(c) *First-time homebuyer standard—(1) Adequate performance.* In the absence of public comments or other information to the contrary, FHFA will presume that a member meets the first-time homebuyer standard if the member is subject to the requirements of the CRA and the rating in the member's most recent CRA evaluation is "outstanding." In determining whether other members meet the first-time homebuyer standard, FHFA will consider a member's description of its efforts to assist first-time or potential first-time homebuyers or its explanation of factors that affect its ability to assist first-time or potential first-time homebuyers. A member shall be deemed to meet the first-time homebuyer standard if the member otherwise demonstrates to the satisfaction of FHFA that it:

(i) Has an established record of lending to first-time homebuyers;

(ii) Has a program whereby it actively seeks to lend or support lending